

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:6260
ANSWERED ON:05.05.2000
SHOW CAUSE NOTICE TO IOC
ADHIR RANJAN CHOWDHURY;SHYAMA SINGH

Will the Minister of FINANCE be pleased to state:

- (a) Whether the Calcutta Customs has issued a show cause notice to IoC to pay morethan Rs.2000 crore for alleged customs duty evasion on import of petroleum products;
- (b) if so, the facts thereof and details in this regard;
- (c) whether several public and private sector oil companies are evading taxes to the tune of crores of rupees; and
- (d) if so, the steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(V. DHANANJAYA KUMAR)

(a)&(b): Yes, Sir. Calcutta Custom House has issued a show-cause notice to M/s Indian Oil Corporation in which the total liability, inclusive of Customs duty, mandatory penalty and interest comes to more than Rs.2000/- crore. The said show-cause notice has since been adjudicated and the demand of customs duty has been confirmed. Mandatory penalty equal to the Customs duty has been imposed and interest at the rate of 20% on the amount of duty has also been demanded.

(c) &(d): Customs Houses have come across cases of import of petroleum products by oil companies where costs incurred on several counts were not included in the assessable value under Section 14 of the Customs Act, 1962. Customs Houses, therefore, after investigation, initiate the adjudication proceedings. The steps that will be taken include issuance of show-cause notice, adjudication, imposition of suitable fines and penalty and recovery thereof.